

ACCEPTED  
LEGISLATIVE AUDITOR  
200 JULY -2 AM 1967

## TOWN OF NEWELLTON, LOUISIANA

### Financial Report

As of and For the Year Ended June 30, 1966

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/1/67

**TOWN OF NEWELLTON, LOUISIANA**  
**FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

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TOWN OF NEWELLTON, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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**Luffey  
Huffman  
& Monroe**

an Equal Opportunity/Affirmative Action  
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## **INDEPENDENT AUDITORS' REPORT**

**Mayor Edwin Proia  
and Members of the Board of Aldermen  
Town of Newellton  
Newellton, Louisiana**

We have audited the accompanying general purpose financial statements of the Town of Newellton, Louisiana (the Town) as of June 30, 2000, and for the year then ended, as listed in the accompanying Table of Contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, published by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town as of June 30, 2000 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2000 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**Mayor Edwin Preis  
and Members of the Board of Aldermen  
Town of Newellton**

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as Schedules in the accompanying Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



[A Professional Accounting Corporation]

November 15, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
COMBINED STATEMENTS - OVERVIEW**

**TOWN OF NEWELLTON, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND**  
**ACCOUNT GROUPS**  
**JUNE 30, 2008**

**ASSETS**

	GOVERNMENTAL FUND TYPES			PROPERTY TAX FUND TYPE			ACCOUNT GROUPS			TOTAL (MEMORANDUM) (000's)
	GENERAL FUND	REVENUE FUND	BOND FUND	REVENUE FUND	TITLE INSURANCE FUND	ESTIMATED FUND	GENERAL FUND	CONTRIBUTOR FUND	LONG TERM ASSETS	
Cash	91,75	5,24	8,08	6,28	603,11	-	-	-	-	107,39
Investments	5,46	-	-	-	-	-	-	-	-	5,46
Accounts Receivable	2,00	-	-	245,60	4,18	-	-	-	-	215,78
Other Receivables	44	-	-	-	77	-	-	-	-	1,21
Due From Other Funds	5,50	-	-	13,27	51	-	-	-	-	18,78
Prepaid Expenses	-	-	-	-	1,08	-	-	-	-	1,08
Restricted Assets	-	-	-	-	-	-	-	-	-	-
Cash	-	-	47	-	81,71	-	-	-	-	81,89
Investments	-	-	-	-	4,29	-	-	-	-	4,29
Capital Fund Assets	-	-	-	-	-	-	95,82	-	-	95,82
Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	49,50
Accumulated Depreciation	-	-	-	-	6,80	-	-	-	-	6,80
Amount Available in Debt Service Fund	-	-	-	-	(1,41)	-	-	-	11,67	(1,41)
Amounts Due From Other Fund	-	-	-	-	-	-	-	-	-	-
Capital Long-Term Assets	-	-	-	-	-	-	-	-	11,67	11,67
<b>TOTAL ASSETS</b>	<b>104,71</b>	<b>5,24</b>	<b>8,08</b>	<b>285,25</b>	<b>718,54</b>	<b>-</b>	<b>95,82</b>	<b>-</b>	<b>18,11</b>	<b>1,203,25</b>

The accompanying notes are an integral part of this statement.

**TOWN OF NEWELLTON, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND**  
**ACCOUNT GROUPS**  
**JUNE 30, 2009**

	GENERAL FUND			PROPRIETARY FUND TYPE			ACCOUNT GROUPS			TOTAL PROGRAMS (001-1)
	GENERAL FUND	REVENUE FROM SERVICES	CAPITAL PROJECT FUND	ENTERPRISE FUND	DEBT FUND	OTHER FUND	GENERAL FUND	DEBT FUND	LONG-TERM DEBT	
<b>LIABILITIES AND PROPRIETY</b>										
<b>Liabilities</b>										
Accounts Payable	1,048	-	250,499	1,654	-	-	-	-	252,153	
Due to Other Funds	-	44	-	11,861	-	-	-	-	11,905	
Other Accrued Liabilities	9,708	-	-	1,492	-	-	-	-	11,004	
Contractors' Retention	-	-	-	41,011	-	-	-	-	41,011	
Liabilities Payable from Restricted Funds:										
Accrued Interest Payable	-	-	-	1,681	-	-	-	-	1,681	
Krewe du Cadeau Payable Current	-	-	-	42,216	-	-	-	-	42,216	
Krewe du Cadeau Payable - Long Term	-	-	-	(2,642)	-	-	-	-	1,254	
Capital Lease Obligations - Long Term	-	-	-	-	-	-	1,654	-	1,654	
General Obligation Bonds Payable	-	-	-	-	-	-	-	18,728	18,728	
<b>Total Liabilities</b>	<b>11,766</b>	<b>-</b>	<b>250,499</b>	<b>1,795,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,728</b>	<b>1,813,911</b>	<b>1,813,911</b>
<b>Fund Equity</b>										
Reserve in General Fund assets	-	-	-	-	-	464,000	-	-	464,000	
Capitalized Debt	-	-	-	5,077,111	-	-	-	-	5,077,111	
Reserve Earnings (Deficit)	-	-	-	-	-	-	-	-	-	
Reserve - Depreciation & Contingency	-	-	-	29,697	-	-	-	-	29,697	
Reserve - Debt Service	-	-	-	21,796	-	-	-	-	21,796	
Commodore (Profit)	-	-	-	(112,190)	-	-	-	-	(112,190)	
Fund Balance	-	-	10,479	-	-	-	-	-	10,479	
Unassigned and Unexpended	12,998	3,328	1,527	2,763,017	34,087	-	-	-	16,530	
Total Fund Equity	<b>12,998</b>	<b>3,328</b>	<b>1,527</b>	<b>2,763,017</b>	<b>34,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,530</b>	<b>16,530</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>24,764</b>	<b>3,328</b>	<b>252,026</b>	<b>5,178,165</b>	<b>34,087</b>	<b>-</b>	<b>464,000</b>	<b>18,728</b>	<b>5,273,921</b>	<b>5,273,921</b>



**TOWN OF NEWELLTON, LOUISIANA  
COMBINED STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL (AMERICAN PLAN ONLY)
<b>REVENUES</b>					
Taxes - Ad Valorem	\$ 49,388	-	-	-	\$ 49,388
Taxes - Sales and Use	89,432	-	-	-	89,432
Licenses and Permits	41,933	-	-	-	41,933
Intergovernmental Revenues - Federal	12,034	46,958	-	617,230	677,224
Intergovernmental Revenues - State	46,491	25,888	-	-	72,379
Intergovernmental Revenues - Local	58,880	-	-	-	58,880
Fees, Charges, and Commissions for Services	121,524	-	-	-	121,524
Fines and Penalties	29,596	-	-	-	29,596
Interest Income	6,784	89	279	-	7,152
Miscellaneous Income	2,799	-	-	-	2,799
<b>Total Revenues</b>	<b>481,848</b>	<b>72,845</b>	<b>279</b>	<b>617,230</b>	<b>1,172,202</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General Government:					
Personnel and Administration	96,188	-	-	-	96,188
Public Safety:					
Police Department	81,947	-	-	-	81,947
Fire Department	11,871	-	-	-	11,871
Public Works					
Street and Sanitation	111,645	-	-	-	111,645
Economic Development	-	6,679	-	-	6,679
Capital Outlay	-	184,893	-	683,895	868,788
Debt Service:					
Redemption of Principal	14,141	-	14,141	-	28,282
Interest and Fiscal Charges	3,190	-	3,894	-	7,084
<b>Total Expenditures</b>	<b>262,764</b>	<b>191,572</b>	<b>28,035</b>	<b>683,895</b>	<b>1,166,266</b>
Excess (Deficiency) of Revenues Over Expenditures	219,084	(118,699)	(17,756)	13,335	(20,040)
<b>Other Financing Sources (Uses)</b>					
Operating Transfer In	62,280	66,888	21,272	-	149,440
Proceeds from Issuance of Debt	-	88,888	-	-	88,888
Operating Transfer Out	(81,712)	-	-	-	(81,712)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,432)</b>	<b>155,776</b>	<b>21,272</b>	<b>-</b>	<b>157,616</b>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	200,652	1,311	1,019	13,335	206,327
Fund Balance at beginning of year	27,800	3,667	11,225	-	42,692
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 228,452</b>	<b>\$ 4,978</b>	<b>\$ 12,244</b>	<b>\$ 13,335</b>	<b>\$ 268,999</b>

The accompanying notes are an integral part of this statement.

**TOWN OF MONROELINE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**(COMBINED AND CHANGED IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -**  
**CENTRAL AND SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	CENTRAL FUND			SPECIAL REVENUE FUNDS		
	GAAP		VARIANCE	GAAP		VARIANCE
	BASE		FAVORABLE	BASE		FAVORABLE
	BUDGET	ACTUAL	(UNFAVORABLE)	BUDGET	ACTUAL	(DEFAVORABLE)
<b>REVENUES</b>						
Taxes - All Voters	\$ 49,700	\$ 49,700	\$ (000)	\$ -	\$ -	\$ -
Taxes - Sales and Use	60,000	60,412	1,412	-	-	-
Licenses and Permits	40,000	40,000	1,000	-	-	-
Intergovernmental Revenue						
Federal	17,000	17,004	(2,000)	4,000	4,000	1,000
State	22,500	22,871	(2,500)	24,000	24,000	-
Local	54,300	50,500	(3,800)	-	-	-
Franchise Fees	27,000	27,871	871	-	-	-
Charges For Services	66,400	65,481	(2,115)	-	-	-
Fees and Penalties	10,000	10,540	4,540	-	-	-
Interest	1,000	4,354	1,854	-	61	61
Miscellaneous Revenues	800	2,700	1,900	1,000	-	(1,000)
Total Revenues	368,800	412,462	2,890	64,000	71,641	1,641
<b>EXPENDITURES</b>						
<b>Current</b>						
General Government	60,500	60,114	3,844	-	-	-
Public Safety						
Police Department	60,400	61,667	2,667	-	-	-
Fire Department	18,600	18,971	1,071	-	-	-
Public Works						
Water and Sewerage	143,800	150,649	(10,749)	-	-	-
Economic Development	-	-	-	1,000	4,671	(1,000)
Capital Outlay	-	-	-	144,000	144,000	000
Other Services	14,700	14,700	(200)	-	-	-
Total Expenditures	367,600	405,041	(3,000)	145,000	196,311	15,311
Transfers (Deficiency) of Revenues						
Other Expenditures	37,201	40,856	26,545	(17,000)	(14,684)	(14,684)
Other (Transfers) of Revenues						
Transfers In	40,000	40,000	(2,000)	40,000	40,000	-
Transfers Out	60,200	60,200	500	60,000	60,000	-
Total Other (Transfers) of Revenues (Transfers Out)	136,800	(18,671)	(2,480)	120,000	120,000	-
Transfers of Revenues and Other Sources Other						
Expenditures and Other Uses	61,400	41,700	26,800	1,000	1,211	(1,400)
Fund Balances at beginning of year	73,600	73,600	-	1,001	1,001	-
<b>FINANCIAL AFFECT OF</b>						
<b>END OF YEAR</b>	\$ 69,800	\$ 124,789	\$ 26,180	\$ 1,001	\$ 1,288	\$ (1,000)

The accompanying notes are an integral part of this financial statement.

**TOWN OF NEWELLTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**RETAINED DEFICIT - UTILITIES ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2000**

<b>Operating Revenues</b>		
Water Sales	\$	136,400
Gas Sales		288,598
Sewerage Fees		111,866
Plumbing Fees		1,908
Penalties		6,784
Franchise Tax		14,286
Other Operating Revenues		6,491
Total Operating Revenues		<u>568,323</u>
<b>Operating Expenses</b>		
Water Supplies and Expenses		33,393
Gas Purchases		132,465
Gas Supplies and Expenses		81,720
Sewer Supplies & Expenses		35,648
Supplies		2,948
Backhoe, Mower and Tractor		3,368
Depreciation		108,686
Utilities		50,513
Engineering		2,118
Insurance - General		5,288
Legal and Audit		9,138
Meter Reader		5,565
Office Rent		1,842
Office Supplies		3,285
Peyroll Taxes		6,486
Postage		1,981
Salaries and Related Benefits		71,317
Telephone		5,035
Truck		3,739
Books and Subscriptions		2,499
Travel and Meetings		4,182
Miscellaneous Expenses		1,029
Utility Tax		9,420
Total Operating Expenses		<u>512,336</u>
<b>Total Operating Profit</b>		55,987

(Continued)

**TOWN OF NEWELLTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**RETAINED DEFICIT - UTILITIES ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2000 (Continued)**

<b>Nonoperating Revenue (Expense)</b>	
Interest Earnings	5,768
Intergovernmental - Local	26,000
Interest Expense	<u>(53,684)</u>
Total Nonoperating Revenue (Expense)	<u>(21,916)</u>
<b>Income Before Operating Transfers</b>	<b>24,072</b>
<b>Operating Transfers</b>	
Transfer Out	<u>(42,200)</u>
Total Operating Transfers	<u>(42,200)</u>
<b>Net Loss</b>	<b>(18,128)</b>
<b>Retained Deficit At Beginning of Year</b>	<b><u>(92,527)</u></b>
<b>RETAINED DEFICIT AT END OF YEAR</b>	<b>\$ <u>(110,655)</u></b>

The accompanying notes are an integral part of this statement.

**TOWN OF NEWELLTON, LOUISIANA  
STATEMENT OF CASH FLOWS  
UTILITIES ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

<b>Cash Flows From Operating Activities</b>	
Operating Profit	\$ 55,988
Adjustments to Economic Operating Profit to:	
Net Cash Provided by Operating Activities:	
Depreciation	198,680
Changes in assets and liabilities:	
Receivables	(3,342)
Prepaid Expenses	2,778
Accounts and Retainage Payable	(7,420)
Due to Other Funds	(40,154)
Other Accrued Liabilities	(1,878)
Customer Deposits	5,568
Total Adjustments	<u>84,249</u>
Net Cash Provided by Operating Activities	120,237
<b>Cash Flows From by Noncapital Financing Activities</b>	
Operating Transfers Out	(42,200)
Intergovernmental - Local	<u>26,000</u>
Net Cash Used by Noncapital Financing Activities	(16,200)
<b>Cash Flows From by Capital and Related Financing Activities</b>	
Principal Paid on Bonds	(55,371)
Interest Paid on Bonds	<u>(54,924)</u>
Net Cash Used by Capital and Related Financing Activities	(108,000)
<b>Cash Flows From Investing Activities</b>	
Interest Income	5,768
Purchase of Short Term Cash Investments	<u>(14,178)</u>
Net Cash Provided by Investing Activities	(8,410)
<b>Net Decrease in Cash and Cash Equivalents</b>	(4,473)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>138,859</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ <u>134,386</u></b>

(Continued)

**TOWN OF NEWELLTON, LOUISIANA  
STATEMENT OF CASH FLOWS  
UTILITIES ENTERPRISE FUND-(Continued)  
FOR THE YEAR ENDED JUNE 30, 2000**

**SHOWN ON ACCOMPANYING COMBINED BALANCE SHEET AS:**

Cash	\$	40,814
Restricted Assets:		
Cash		<u>90,271</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>134,285</u></b>

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL  
INVESTING AND FINANCING ACTIVITIES**

Increase in Fixed Assets and Contributed Capital from Capital Project Funds	\$	<u>603,593</u>
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The accompanying notes are an integral part of this statement.

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**Note 1 - Summary of Significant Accounting Policies**

***FINANCIAL REPORTING ENTITIES/BASIS OF PRESENTATION***

The accompanying financial statements include all funds and account groups of the Town of Newellton, Louisiana (the Town). The accompanying general purpose financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of five aldermen. The Town's major operations include police and fire protection, street and drain maintenance, garbage and trash collection and administrative services. The Town also operates a Utility Enterprise Fund to provide gas, sewerage and water services.

As the governing authority for the municipality, the Town is the reporting entity for the municipality. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body and the ability of the Town to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature and significance of the relationship.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

Based on the foregoing criteria, the Public Housing Authority for the Town is not included as a component unit of the Town reporting entity. Although the governing board of the Public Housing Authority is substantially the same as that of the Town, the Town cannot impose its will on the Public Housing Authority nor does the Town have any fiscal responsibility for the Public Housing Authority.

The following is a summary of certain significant accounting policies and practices:

**A. Fund Accounting**

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that compare its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into the various fund types and account groups as follows:

**GOVERNMENTAL FUNDS**

*General Fund* - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Fund* - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Fund* - The Debt Service Fund is used to account for resources accumulated to pay principal and interest on general long-term obligations.

*Capital Project Funds* - The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, improvements and other major projects (other than those financed by Proprietary Funds).

**PROPRIETARY FUND**

*Enterprise Funds* - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the



**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

In accordance with GASB Statement 30, the Town has elected not to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989 to its proprietary activities unless they are adopted by the GASB.

### ACCOUNT GROUPS

#### *General Fixed Assets Account Group*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

#### *General Long-Term Debt Account Group*

The general long-term debt account group (GLTDAG) is used to account for the government's unsecured long-term indebtedness that has not been identified as a specific fund liability of a proprietary or trust fund. Besides general obligation debt instruments such as bonds and notes, the GLTDAG is used, if applicable, to report certain liabilities such as long-term lease agreements and compensated absences.

#### **B. Total Columns on Combined Statements - Overview**

Total columns on the Combined Statements - Overview are captured "Miscellaneous Only" to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

*C. Basis of Accounting*

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town uses the following practices in recognizing and reporting revenues and expenditures in the governmental fund types:

Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed ad valorem taxes and sales taxes are considered "measurable" when in the hands of the intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their collectibility seems certain. Ad valorem taxes, grants and fees, charges and commissions for services have been treated as susceptible to accrual.

Expenditures in the governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

*D. Budgetary Accounting*

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The proposed budget is submitted by the Town Clerk and the Mayor to the Board of Aldermen prior to July 1 of the ensuing year. Notice of the location and availability of the proposed budget for public inspection and the date of the public hearing to be conducted on the budget is then advertised in the official journal of the Town.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

2. After the public hearing, the budget is adopted by passing an ordinance approving the budget at the selected June board meeting.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenue exceeding amounts estimated, require the approval of the Board of Aldermen.
4. All legally-adopted budgets of the Town are adopted on a basis consistent with GAAP. A budget is adopted for the General Fund and the Special Revenue Fund.

*E. Investments*

Investments (consisting of certificates of deposit) are stated at amortized cost, which approximates market value. For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

*F. Fixed Assets*

The accounting and reporting treatment applied to the fixed assets associated with a particular fund is determined by the fund's measurement focus.

Fixed assets of the enterprise fund are recorded at cost, if purchased, and at fair market value at date of gift, if donated. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Contributions received in aid of construction are credited to contribution accounts and do not reduce the cost of the assets acquired with such contributions. Interest is capitalized on funds used during construction of projects acquired with bond funds. No interest was capitalized during the year ended June 30, 2009.

Depreciation of all depreciable fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation is reported in the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows (in years):

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

<b>Water System:</b>	
Wells	99
Storage Tanks	50
Lines and Meters	50
<b>Sewerage System:</b>	
Pumping Stations	50
Lines	50
Access and Trunks	3
Other	3 - 7
<b>Gas Transmission and Distribution System:</b>	
Pipeline	99
Lines and Meters	50
Office Equipment	3 - 7

**G. Long-Term Liabilities**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, net in the governmental funds. Long-term liabilities expected to be financed from enterprise fund operations are accounted for in the enterprise fund.

**H. Compensated Absence**

The Town has no provision for vesting of vacation and sick leave. Consequently, the financial statements of the Town reflect no liability for compensated absence.

**I. Bad Debt**

Uncollectible amounts for all valence taxes and customers' utility receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

**J. Reserves and Designations of Fund Equity**

Some portion of fund balance and/or retained earnings are reserved to indicate that a portion of fund equity is legally restricted to a specific future use and is not available for appropriation or expenditure.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

Designated portions of fund balances indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made.

**K. Due From Other Funds**

Amounts designated as "due from other funds" are considered "available spendable resources".

**L. Electrical System Operating Agreement**

On February 12, 1976, the Board of Aldermen of the Town authorized an operating agreement between the Town and Louisiana Power and Light (Energy) for Energy to operate the electric system within the corporate limits of the Town for a period of twenty-five years. The agreement provides that Energy will pay to the Town two percent of total revenue collected from the sale of electric service to residential and commercial customers within the Town. Revenues under this agreement totaled \$16,779 for the year ended June 30, 2000.

**M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2 - Cash and Deposits**

Statutes require the Town to invest surplus cash balances in obligations of the United States Treasury, time certificates of deposit, and any other federally insured investments.

The Town has \$347,452 in deposits (collected bank balances) as of June 30, 2000, of which \$11,154 was secured from risk by federal deposit insurance (GASB 5 - Category 1). The balance of \$236,279 of the deposits was collateralized with securities held by the financial institutions in the name of the Town (GASB 5 - Category 2).

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**Note 3 - Ad Valorem Taxes**

Property taxes are levied by the Town in September or October each year and are actually billed to the taxpayers in November. Property taxes become due and are attached as an enforceable lien on property as of January 1 of the following year. Billed taxes become delinquent on January 1 of the year following the year in which the taxes are due.

The Town bills and collects its own property taxes using the assessed value as determined by the tax assessor of Toussaint Parish.

The ad valorem tax millage is as follows:

	<u>Mill</u>
General Ad Valorem Tax	13.12

**Note 4 - Sales and Use Tax**

At a special election held October 16, 1993, residents of the Town approved a general sales and use tax of .75%. Subsequent to June 30, 1994 the Board of Aldermen dedicated the proceeds of such tax to the improvement of streets and drainage.

**Note 5 - Fixed Assets**

The changes in general fixed assets follows:

	Balance 6/30/07		Additions		Deductions		Balance 6/30/08
Vehicles	\$ 167,180	\$	136,853	\$	680	\$	297,433
Furniture and Equipment	77,347		79,822		-		157,169
Total	\$ 244,527	\$	216,675	\$	680	\$	454,202

A summary of proprietary fixed type property, plant and equipment at June 30, 2008, is as follows:

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

Service Equipment	\$	88,000
Office Equipment		3,018
Water System		2,003,368
Gas System		1,328,023
Sewer System		2,447,234
Pipeline		9,428
Construction in Progress		451,782
Total		8,360,863
Less: Accumulated Depreciation		(1,442,890)
Net Depreciable Assets		6,917,973
Land		19,650
Total Proprietary Fund Type Property, Plant and Equipment	\$	7,037,623

Detailed records of fixed assets acquired prior to June 30, 1974, are not available. Estimation of the cost of these assets was made through examinations of bond and grant proceeds for construction and additions, and discussion with elected officials and long-time Town employees. All major proprietary fixed asset additions have been made through bond and grant programs. Therefore, depreciation on these assets has been estimated at an amount consistent with that charged to operations in previous years. Depreciation on assets placed in service subsequent to June 30, 1974, has been calculated on the straight-line basis over their estimated useful lives.

**Note 6 - Pension and Retirement Plans**

*Municipal Employees' Retirement System of Louisiana (MERS)*

Substantially all Town employees, except policemen, are members of the MERS, a multiple-employer, cost-sharing, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participants of the Town are covered by Plan A.

All full-time Town employees and elected Town officials are eligible to participate in the system. Under the plan provisions, a member who retires at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service is entitled to a retirement benefit, payable monthly for life, equal to 3% of the member's final compensation multiplied by his years of creditable service.

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

*Funding Policy.* Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the MERS for the years ended June 30, 2008, 1999 and 1998 were \$7,804; \$8,188; and \$9,648, respectively, equal to the statutorily required contributions for each year.

The MERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Employees' Retirement System, 6730 Van Gogh, Baton Rouge, LA 70806 or by calling (504) 925-4518.

*Municipal Police Employees' Retirement System (MPERS)*

All full-time police officers engaged in law enforcement and earning at least \$3.75 per month excluding state supplemental pay and elected chiefs of police whose salary is at least \$100 per month are eligible to participate in the system. Members who retire at or after age 55 with 20 years of creditable service, at or after age 55 with 12 years of creditable service and with membership in the system for one year are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of the member's average final average compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

*Funding Policy.* State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:185, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the MPERS for the years ended June 30, 2008, 1999 and 1998 were \$2,522; \$1,309; and \$2,247, respectively, equal to the statutorily required contributions for each year.

The MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employees' Retirement System, 8400 United Plaza Blvd., Room 205, Baton Rouge, LA 70808 or by calling (504) 926-2411.



**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**Note 7 - Long-Term Debt**

The following is a summary of long term debt transactions of the Town for the year ended June 30, 2000:

	General Obligation Bonds	Capital Leases	Utilities Enterprise Fund Bonds	Total
Balance at Beginning of Year	\$ 98,573	\$ 7,536	\$ 1,316,648	\$ 1,422,757
Additions	88,000	-	-	88,000
Retirements	(21,344)	(3,712)	(38,577)	(63,633)
<b>BALANCE AT END OF YEAR</b>	<b>\$ 165,229</b>	<b>\$ 3,824</b>	<b>\$ 1,278,071</b>	<b>\$ 1,447,124</b>

Bonds payable at June 30, 2000 are comprised of the following individual issues:

**Utilities Enterprise Fund:**

*General Obligation Bonds:*

500,000 Water Distribution Bonds dated April 2, 1974; due in annual installments of \$1,687, through April 2, 2010; interest at 5%.	\$ 13,580
<b>Total General Obligation Bonds - Utilities Enterprise Fund</b>	<b>13,580</b>

*Revenue Bonds:*

583,000 Sewer Revenue Bonds dated August 8, 1973; due in annual installments of \$5,850, through July 1, 2013; interest at 4.75%.	47,600
5200,000 Sewer Revenue bonds dated February 1, 1968; due in annual installments of \$16,898, through February 1, 2008; interest at 4.125%.	48,728
5550,000 Revenue bonds dated April 6, 1976; due in annual installments of \$29,290 - \$34,390 through April 6, 2016; interest at 3%.	547,696

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

\$108,000 Revenue bonds dated April 6, 1976; due in annual installments of \$4,400 - \$6,000, through April 6, 2018; interest at 5%.	58,680
\$315,000 Sewer Revenue bonds dated March 23, 1988; due in annual installments of \$38,512 through May 12, 2028; interest at 5%.	270,113
\$508,000 Water Revenue bonds dated April 24, 1998; due in monthly installments of \$2,398.44 through December 2038; interest at 4.875%.	463,523
Total Revenue Bonds - Utilities Enterprise Fund	<u>1,292,316</u>
Total Utilities Enterprise Fund Bonds	<u>\$ 1,278,863</u>

General Obligation Notes:

\$58,341 Note payable to Texas State Bank to finance the work on Walker Street. Payments are made monthly at a variable rate based on 75% of New York Prime and will not exceed 10%. Matures on March 15, 2009.	\$ 5,478
\$130,000 Certificate of Indebtedness, Series 1994, to finance the street curbside project. Payments are made yearly at an interest rate of 6%. Matures on August 1, 2004.	75,000
\$80,000 Certificate of Indebtedness, Series 1999, to finance the purchase of fire truck and equipment. Payments are made monthly at an interest rate of 4.5%. Matures on February 1, 2010.	<u>77,831</u>
Total General Obligation Notes	<u>\$ 158,309</u>

Capital Lease:

In October, 1999 the Town entered into a capital lease agreement for a fire truck. The leased assets are recorded in General Fixed Assets Account Group.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

The related liability is recorded in General Long-term Debt Account Group. The balance of the lease obligations as of June 30, 2008 was \$1,824.

Maturities of long term obligations of the Town for the next five years, including interest of \$1,064,554, are as follows:

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Lease	Enterprise Fund Bonds	Total
2001	\$ 33,950	\$ 1,840	\$ 185,024	\$ 140,814
2002	28,065	-	184,024	132,089
2003	27,583	-	185,024	130,409
2004	27,493	-	182,024	129,479
2005	27,465	-	181,024	128,489
2006-2010	45,978	-	456,075	502,053
2011-2013	-	-	430,231	430,231
2014-2020	-	-	272,445	272,445
2021-2023	-	-	235,685	235,685
2024-2030	-	-	195,598	195,598
2031-2033	-	-	140,586	140,586
2034-2038	-	-	62,341	62,341
	<u>\$ 190,288</u>	<u>\$ 1,829</u>	<u>\$ 2,311,441</u>	<u>\$ 2,503,358</u>

**Note 8 - Restriction on Use of Funds**

Under the terms of the bond indenture pertaining to Revenue Bonds dated April 6, 1976, all income and revenue (hereinafter referred to as revenue) earned from operation of the combined waterworks and gas system (the System) are pledged to secure payment of principal and interest of the Revenue Bond. Pursuant to the terms of the indenture, the revenue from the System is to be deposited into a separate "Water and Gas Revenue Fund" (the Revenue Fund) bank account. Disbursements from the Revenue Fund are prioritized as follows:

1. The payment of the reasonable and necessary expenses of administering, operating, repairing and insuring the System;
2. Making monthly contributions to a "Water and Gas Revenue Bond and Interest Sinking Fund" (the Sinking Fund) in an amount equal to 1/12th of the total principal and interest becoming due in the ensuing year;

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

3. Making contributions to a "Water and Gas Reserve Fund" (the Reserve Fund) in an amount equal to 5% of the amount paid into the Sinking Fund until the balance reaches \$41,700; and,
4. Making contributions to a "Water and Gas Depreciation and Contingency Fund" to assure proper operation of the system by depositing monthly \$180 from the Revenue Fund. This fund shall also be used to pay the principal and interest on any bonds authorized under the ordinance for which there is not sufficient money in the Sinking Fund or Reserve Fund. Any money so used shall be replaced as soon as possible from the earnings of the System.

Under the terms of the Revenue Promissory Note loan agreement dated February 1, 1968, all income and revenue (hereinafter referred to as revenues) from operation of the sewerage system are pledged and shall be set aside into a "Sewerage Revenue Fund" to provide for the payment for the reasonable and necessary expenses of operating and maintaining the sewerage system, for the payment of the note and interest thereon and provide an adequate depreciation fund, as follows:

1. Each month, there will be paid from the Sewerage Revenue Fund into a "Sewerage Operation and Maintenance Fund" an amount sufficient to assure the prompt payment of operating expenses and make reasonable provision for repair and maintenance of the sewerage system;
2. There shall also be set aside into a "Sewerage Note Fund" monthly amounts equal to 1/12th of the principal and interest becoming due on the note payment also plus \$40 until funds shall have been accumulated in the fund an amount equal to \$5,000. The \$5,000 reserve is designated as the "Reserve Fund" and may be used to meet payments of principal and interest to the extent funds in the Sewerage Note Fund are insufficient for that purpose. Any money so used shall be replaced as soon as possible to restore the Reserve Fund to a balance of \$5,000; and,
3. Funds will also be set aside from the Sewerage Revenue Fund into a "Sewerage Depreciation Fund" at the rate of \$40 each month. Money in this fund may be used for making major repairs or replacements to the sewerage system which are necessary to keep the system in operating condition.

Under the terms of the Revenue Promissory Note Agreement dated May 12, 1988, income and revenues from the operation of the sewerage system after payments required by the outstanding Sewerage Revenue Promissory Note dated February 1, 1968 (the "Price Limit Funds") are to be set aside as follows:

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

1. There shall be set aside into a "1988 Sewer Bond and Interest Sinking Fund" monthly amounts equal to one-twelfth (1/12th) of the total amount of principal and interest becoming due on the next payment date;
2. There shall be set aside into a "1988 Sewer Revenue Bond Reserve Fund" monthly amounts at least equal to 5% of the amount to be paid into the "1988 Sewer Revenue Bond and Interest Sinking Fund". The payments are to continue until such time as there has been accumulated a sum equal to the highest combined principal and interest falling due in any year; and,
3. Funds will also be set aside at the rate of \$90 per month from the Sewerage Revenue Fund into a "1988 Sewerage Depreciation and Contingency Fund" to provide for depreciation, extensions, additions and replacements necessary to properly operate the sewerage system.

Under the terms of the Certificate of Indebtedness, Series 1999 dated February 8, 2000, certain revenues over statutory, necessary and usual charges are to be set aside as follows:

1. There shall be set aside into a "Debt Service Fund" monthly amounts equal to one-twelfth (1/12th) of the total amount of principal and interest becoming due on the next payment date;
2. There shall be set aside into a "Reserve Fund" monthly amounts at least equal to 10% of the amount to be paid into the "Debt Service Fund". The payments are to continue until such time as there has been accumulated a sum equal to the highest combined principal and interest falling due in any year.

**Note 10 - Interfund Receivables and Payables**

Individual fund interfund receivables and payables at June 30, 2009, are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 5,505	\$ -
Utility Enterprise Fund	85	18,982
Debt Service Fund	-	85
Capital Project Funds	13,357	-
<b>TOTAL</b>	<b>\$ 18,957</b>	<b>\$ 18,987</b>

**TOWN OF NEWELLTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

	Operating Transition	
	In	Out
General Fund	\$ 42,280	\$ 61,272
Utility Enterprise Fund	-	42,280
Debt Service Fund	21,272	-
Capital Project Funds	48,000	-
<b>TOTAL</b>	<b>\$ 111,552</b>	<b>\$ 103,552</b>

**Note 10 - On-Behalf Payments**

Certain Town employees in the Police Department receive supplemental pay from the state of Louisiana. In accordance with OASH Statement No. 24 "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance", the Town has recorded revenues and expenditures for these payments in the General Fund in the amount of \$4,890.

**Note 11 - Intergovernmental Agreement - Gas Transmission and Distribution Operations**

The Town jointly operates with the Town of St. Joseph, Louisiana that portion of the gas transmission line from Lake St. John Field to the Town of St. Joseph. By long-term agreement, the Towns of Newellton and St. Joseph equally share the cost of operating the gas transmission and distribution system. The Town's share of these operating costs is included in Gas Purchases for the year ended June 30, 2009.

**Note 12 - Risk Financing Activities**

The Town is a participating member in the Louisiana Risk Management Agency's Group Self-Insurance Fund for Municipal Liability Risk Sharing and Group Self-Insurance Fund for Workmen's Compensation and Employer Liability (the Agency). The Agency functions as a Public Utility Risk Pool formed to pool the risk of public liability exposure to its members. The Town insures its law enforcement officers' comprehensive liability and errors and omissions risk through its participation in the Agency pools. The coverage provided by the pools is subject to \$1,000 deductibles for certain coverages and provides coverages up to \$500,000 for each type of insured risk. Premiums for coverage are retroactively rated based on experience and premiums are calculated based on the ultimate cost of the experience to date of the pool participants.

**TOWN OF NEWELLTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**Note 14 - Subsequent Events**

Subsequent to year end, the Town entered into an intergovernmental agency agreement with the Paradiseville Fire Protection District No. 1 of the Parish of Terrebonne, State of Louisiana (District). The District rents, leases and hires from the Town all rights and interests of the Town in the Newellton Fire Department stations and Fire Department Vehicles from July 1, 2008 until December 31, 2008. The District is responsible for paying the Town \$829.00 per month until the 1999 Bonds are discharged and defunded.

## SUPPLEMENTARY INFORMATION



**TOWN OF NEWELLTON, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -**  
**COUNCIL LEVEL OF CONTROL**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	GAAP BASIS BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes - Ad Valorem	\$ 49,500	\$ 49,188	\$ (312)
Taxes - Sales and Use	68,000	69,432	1,432
Licenses and Permits			
Franchise Revenue	27,000	27,037	37
Occupational & Other Licenses	40,000	41,935	1,935
Intergovernmental Revenues	73,350	96,681	23,331
Charges for Services	90,400	93,687	(2,713)
Grant Revenues	17,000	13,854	(3,146)
Fines	25,000	29,596	4,596
Interest Income	3,400	4,704	1,304
Miscellaneous Revenues	800	3,796	4,996
Total Revenues	<u>394,950</u>	<u>431,880</u>	<u>31,930</u>
<b>Expenditures</b>			
<b>General Government</b>			
Salaries and Benefits	64,080	53,669	10,411
Operating Services	21,260	27,237	(5,977)
Contractual Services	8,100	8,818	(718)
Travel and Other Charges	10,200	8,858	1,342
Total General Government	<u>103,640</u>	<u>98,582</u>	<u>7,116</u>
<b>Public Safety</b>			
<b>Police Department</b>			
Salaries and Benefits	64,000	63,943	3,055
Operating Services	4,840	4,625	215
Operating Supplies and Maintenance	16,500	14,448	2,052
Contractual Services	4,200	5,069	(869)
Debt Service	479	479	-
Total Police Department	<u>90,019</u>	<u>88,565</u>	<u>2,453</u>
<b>Fire Protection</b>			
Operating Services	4,700	5,344	(644)
Operating Supplies and Maintenance	3,800	6,327	(2,527)
Total Fire Protection	<u>11,500</u>	<u>11,671</u>	<u>(1,171)</u>

(Continued)

**TOWN OF NEWELLTON, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (Continued)**  
**COUNCIL LEVEL OF CONTROL**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>GAAP BASIS BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<b>Public Works:</b>			
<b>Street and Sanitation:</b>			
Salaries and Benefits	52,600	49,283	4,317
Operating Services	58,468	61,670	(3,202)
Operating Supplies and Maintenance	38,800	43,290	(5,490)
Debt Service	13,800	13,878	(78)
Total Public Works	<u>163,668</u>	<u>168,121</u>	<u>(4,453)</u>
<b>Total Expenditures</b>	<u>362,670</u>	<u>365,984</u>	<u>(3,314)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	31,271	65,806	34,535
<b>Other Financing Sources</b>			
Operating Transfers - In	45,000	42,200	(2,800)
Operating Transfers - Out	<u>(64,500)</u>	<u>(61,272)</u>	<u>3,228</u>
Total Other Financing Sources	<u>(19,500)</u>	<u>(19,072)</u>	<u>(5,864)</u>
<b>Excess of Revenues and Other Sources Over Expenditures and Other Uses</b>	20,681	46,734	26,053
<b>Fund Balance at Beginning of Year</b>	<u>77,822</u>	<u>77,822</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 98,503</u>	<u>\$ 124,556</u>	<u>\$ 26,053</u>

**TOWN OF NEWELLTON  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2000**

	<u>INTERMUNICIPAL REVITALIZATION FUND</u>	<u>FIRE DEPARTMENT EQUIPMENT FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ <u>5,248</u>	\$ <u>-</u>	\$ <u>5,248</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>5,248</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>5,248</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts Payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>Fund Equity</b>			
Fund Balances - Unreserved and Unobligated	<u>5,248</u>	<u>-</u>	<u>5,248</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>5,248</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>5,248</u></b>

**TOWN OF NEWELLTON  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>DOWNTOWN REVITALIZATION FUND</u>	<u>FIRE DEPARTMENT EQUIPMENT FUND</u>	<u>TOTAL</u>
<b>Revenues</b>			
Intergovernmental Revenues :			
Federal	\$ 1,890	\$ 39,000	\$ 40,890
State	-	25,000	25,000
Other Revenues	-	90	90
Total Revenues	<u>1,890</u>	<u>64,090</u>	<u>72,000</u>
<b>Expenditures</b>			
Economic Development	6,629	-	6,629
Capital Outlay	-	354,850	354,850
<b>Deficiency of Revenues Over Expenditures</b>	<u>1,341</u>	<u>(354,850)</u>	<u>(318,699)</u>
<b>Other Financing Sources</b>			
Operating Transfers In	-	40,800	40,800
Proceeds from Issuance of Debt	-	80,800	80,800
	<u>-</u>	<u>121,600</u>	<u>121,600</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures</b>	<u>1,341</u>	<u>-</u>	<u>1,341</u>
<b>Fund Balances at Beginning of Year</b>	<u>3,857</u>	<u>-</u>	<u>3,857</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 5,248</u>	<u>\$ -</u>	<u>\$ 5,248</u>

TOWN OF NEWELLTON  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECT FUNDS  
 JUNE 30, 1999

	<u>LCRMC WATER STORAGE TANK FUND</u>	<u>LCRMC SEWER SYSTEM FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 6,750	\$ -	\$ 6,750
Accounts Receivable	-	249,690	249,690
Due From Other Funds	-	11,317	11,317
<b>TOTAL ASSETS</b>	<u>\$ 6,750</u>	<u>\$ 261,047</u>	<u>\$ 267,797</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 6,750	\$ 249,690	\$ 256,440
<b>Fund Equity</b>			
Fund Balances - Unreserved and Unassigned	-	11,317	11,317
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 6,750</u>	<u>\$ 261,047</u>	<u>\$ 267,797</u>

**TOWN OF NEWELLTON**  
**COMBINED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>LCDBG WATER STORAGE TANK FUND</u>	<u>LCDBG SEWER SYSTEM FUND</u>	<u>TOTAL</u>
<b>Revenues</b>			
Intergovernmental Revenue - Federal	\$ 190,795	\$ 426,485	\$ 617,280
<b>Expenditures</b>			
Capital Outlay	<u>190,795</u>	<u>413,898</u>	<u>604,693</u>
Deficiency of Revenues Over Expenditures	-	13,357	13,357
<b>Other Financing Sources</b>			
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	-	13,357	13,357
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 13,357</b>	<b>\$ 13,357</b>

TOWN OF NEWELLTON, LOUISIANA  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2000

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to Aldermen is presented in compliance with House Concurrent Resolution No. 24 of the 1979 Session of Louisiana Legislature. Compensation of the Aldermen is included in general administration expenditures of the General Fund.

	<u>Compensation</u>
Kenneth Morgan	\$ 3,600
Edwin Britt	3,600
Glen McCarty	3,600
David Delaney	3,600
Clara Bass	3,600
Total Compensation	\$ <u>18,000</u>

**SUPPLEMENTARY INFORMATION -  
GRANT ACTIVITY**



**TOWN OF NEWELLTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>AWARD AMOUNT</u>	<u>EXPENDITURES</u>
<b>U. S. Department of Justice:</b>			
<b>Direct Programs:</b>			
COFS Grant	16.710	\$ 40,600	\$ 13,094
<b>United States Department of Housing and Urban Development:</b>			
Passed Through Louisiana Division of Administration, Office of Community Development			
Community Development Block Grants	14.228A	1,163,500	603,893
<b>United States Department of Agriculture:</b>			
Passed Through Macon Ridge Economic Development Region, Inc.			
Rural Development	10.769	7,998	7,958
<b>United States Department of Agriculture:</b>			
Community Facilities Loans and Grants	10.765	119,000	119,000
<b>Total Expenditures of Federal Awards</b>		<b>\$ 1,334,097</b>	<b>\$ 743,897</b>

See Notes to Schedule of Expenditures of Federal Awards

**TOWN OF NEWELLTON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. General**

The Schedule of Expenditures of Federal Awards presents the activity of all Federal awards of the Town of Newellton, Louisiana (the Town). The Town reporting entity is defined in Note 1 to the Town's general purpose financial statements. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other government agencies, is included on the schedule.

**2. Basis of Accounting**

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town's general purpose financial statements.

**3. Relationship of the Schedule of Expenditures of Federal Awards to the General Purpose Financial Statements of the Town**

Federal awards reported on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances during fiscal 2020 are: General Fund - \$13,054; Capital Projects Fund - \$617,250; and, Special Revenue Funds - \$46,850 in Federal Grants and \$88,600 proceeds from issuance of debt.



Luffey  
Huffman  
& Monroe

AN AFFILIATE COMPANY OF CHRYSLER CREDIT SERVICES  
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Patrick L. Huffman, CPA  
L. Penelope Moore, CPA  
Edwin H. Monroy, CPA  
Cynthia A. Coates, CPA

**REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Town of Newellton  
Monroe, Louisiana**

We have audited the financial statements of Town of Newellton (the Town) as of and for the year ended June 30, 2000 and have issued our report thereon dated November 15, 2000. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Louisiana Society of Certified Public Accountants, and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we did note an immaterial instance of noncompliance that we have reported to management of the Town in a separate letter dated November 15, 2000.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of

**Town of Newellton  
Newellton, Louisiana**

management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 00-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider item 00-01 to be a material weakness.

This report is intended for the information of management of the Town, its oversight agency, other entities granting funds to the Town and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



[A Professional Accounting Corporation]

**November 15, 2000**



**Luffey  
Huffman  
& Monroe**

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Ernest J. Huffman, CPA  
J. Fred Monroe, CPA  
Lynn Anderson, CPA  
Corynn R. Coble, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

**Town of Newellton  
Newellton, Louisiana**

**Compliance**

We have audited the compliance of the Town of Newellton (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended April 30, 2000. The Town's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2000.

**Town of Newellton  
Newellton, Louisiana**

**Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be a material weakness.

This report is intended for the information of management of the City, its oversight agency, other entities granting funds to the Town and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

November 15, 2000

**TOWN OF NEWELLTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**(1) The following are the applicable elements of the Summary of Auditor's Results:**

- i) The independent auditors' report on the general purpose financial statements of the Town of Newellton, Louisiana (the Town) as of and for the year ended June 30, 2000 was unqualified;
- ii) There was one instance of a reportable condition in the internal control over financial reporting disclosed during the audit of the general purpose financial statements of the Town;
- iii) There were no instances of noncompliance reported which are considered material to the general purpose financial statements of the Town as of and for the year ended June 30, 2000;
- iv) There were no reported instances of reportable conditions in the internal control over major Federal programs;
- v) The auditor's report on the Town's compliance with requirements applicable to major programs was unqualified for all major programs;
- vi) The audit of the Town's compliance with requirements applicable to major Federal programs disclosed no findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- vii) The major Federal programs for purposes of the report were the COPS Grant (CFDA No. 16.710); the Community Development Block Grants (CFDA No. 14.226A); and, the Community Facilities Loans and Grants (CFDA No. 10.760);
- viii) The dollar threshold used to distinguish between Type A and Type B programs was \$500,000; and,
- ix) The Town did not qualify as a low-risk auditee under the provisions of OMB Circular A-133 section .630.

**TOWN OF NEWELLTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2000**

- (2) Findings related to the financial statements which are required to be reported under Government Auditing Standards:

**00-01 Undocumented Pay Raises**

***Finding:***

The Town employees received a 3% pay raise in January. There was no documentation in the minutes or in the individual personnel files to indicate approval had been granted by the Board of Aldermen.

***Recommendation:***

We recommend that the Board of Aldermen approve all pay increases in public meetings and record such approvals in the minutes. In addition, each individual personnel file should include documentation in support of the pay raises being paid.

***Management's Corrective Action Plan:***

The Town will record approval by the Board of Aldermen of pay raises in the minutes.

- (3) There were no findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.



**TOWN OF NEWELLTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

In connection with our audit of the Town of Newellton as of and for the year ended June 30, 2000, in accordance with *Governor's Auditing Standards* we have also reviewed the status of material prior year findings included in our management letter dated October 21, 1999. The following table presents the status of these findings:

<u>Prior Year Finding</u>	<u>Current Year Status</u>
Local Government Budget Act	Management Letter Comment



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Huffman  
& Monroe**

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## **MANAGEMENT LETTER**

**Mayor Edwin Prete  
and Members of the Board of Aldermen  
Town of Newellton  
Newellton, Louisiana**

In planning and performing our audit of the general purpose financial statements of the Town of Newellton (the Town) for the year ended June 30, 2000, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated November 15, 2000 on the general purpose financial statements of the Town.

### **Local Government Budget Act**

#### **Findings:**

The Local Government Budget Act requires, among other things, that the budget be amended when actual expenditures exceed budgeted expenditures by 5 per cent or more. For the year ended June 30, 2000, expenditures of the Downtown Revitalization Special Revenue Fund exceeded budgeted amounts by more than 5 per cent.

#### **Recommendation:**

Although, the Downtown Revitalization Fund executed very few transactions, the Town should more closely monitor the budget and adopt required amendments to ensure that the actual expenditures do not exceed budgeted amounts by more than 5 per cent.

*Management's Corrective Action Plan:*

In the future the Special Revenue Funds' amended budgets will be within limits prescribed by state law.



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November 15, 2000